



4798 03/17/06 \$6,300.00

OFFICE OF
INSURANCE COMMISSIONER

In the Matter of

KAISER PERMANENTE HEALTH
ALTERNATIVES,

An Authorized Insurer.

No. D06-130

CONSENT ORDER
IMPOSING A FINE

Findings of Fact:

1. Kaiser Permanente Health Alternatives is authorized to conduct insurance business in Washington State. It is a health care service contractor.
2. Kaiser Permanente Health Alternatives filed the Additional Data Supplement Form, part of its Annual Statement, with the Office of the Insurance Commissioner ("OIC") on May 9, 2005.
3. RCW 48.05.250 requires that insurers submit a complete Annual Statement of the preceding year to the OIC before the first day of March of the following year. The statute permits the Commissioner to revoke or suspend the insurer's certificate of authority for failure to so submit.
4. RCW 48.05.185 authorizes the Commissioner to impose a fine in lieu of or in addition to the suspension or revocation of an insurer's certificate of authority.
5. WAC 284-07-050(8) requires a health care services contractor to submit an additional data statement form along with its Annual Statement.

Conclusions of Law:

The failure of Kaiser Permanente Health Alternatives to timely file the additional data statement form by the due date of February 28, 2005 constitutes a violation of RCW 48.05.250 and WAC 284-07-050(8).

Consent to Order:

Kaiser Permanente Health Alternatives consents to the following, in order to resolve this matter without further legal or administrative proceedings. The Insurance Commissioner consents to resolve this matter, in consideration of the insurer's payment of a fine, as set forth below.

1. Kaiser Permanente Health Alternatives consents to entry of the foregoing Findings of Fact and Conclusions of Law, and acknowledges its duty to comply with all applicable laws and regulations of Washington State. It waives further legal or administrative challenge to the actions taken, or to be taken, by the Insurance Commissioner relating to the subject matter of this order.
2. Within thirty days of the entry of this Order, Kaiser Permanente Health Alternatives will pay to the Insurance Commissioner a fine in the amount of \$6,300 (six thousand three hundred dollars).
3. If Kaiser Permanente Health Alternatives fails to pay the fine in full within thirty days of the entry of this order, this will constitute grounds for the suspension or revocation of the certificate of authority held by Kaiser Permanente Health Alternatives in Washington State. It will also result in a civil action being brought by the Attorney General on behalf of the Insurance Commissioner, to recover the fine.

Executed this 14 day of March, 2006

KAISER PERMANENTE HEALTH ALTERNATIVES

By: Holly E. Hower

PRINTED NAME: Holly E. Hower

PRINTED CORPORATE TITLE: CFO

Order:

Pursuant to the foregoing Findings of Fact, Conclusions of Law, and Consent to Order, the Insurance Commissioner orders as follows:

1. Kaiser Permanente Health Alternatives is ordered to pay, within thirty days of the entry of this Order, a fine in the amount of \$6,300 (six thousand three hundred dollars).
2. Failure to timely pay the fine in full will constitute grounds for the suspension or revocation of the certificate of authority held by the insurer in Washington State.

3. It will also result in a civil action being brought by the Attorney General, on behalf of the Insurance Commissioner, to recover the fine.

Executed this 4th day of April, 2006

MIKE KREIDLER
Insurance Commissioner

By: Marcia G. Stickler
Marcia G. Stickler
Legal Affairs Division